

Attorney or Party Name, Address, Telephone & FAX Nos., State Bar No. & Email Address Peter J. Mastan (Bar No. 190250) pmastan@gumportlaw.com Claire K. Wu (Bar No. 295966) cwu@gumportlaw.com GUMPORT MASTAN 550 South Hope Street, Suite 1765 Los Angeles, CA 90071 (213) 452-4900 <input type="checkbox"/> Individual appearing without attorney <input checked="" type="checkbox"/> Attorney for: R. Todd Neilson, Trustee		FOR COURT USE ONLY	
UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA - NORTHERN DIVISION			
In re: REED E. SLATKIN, and Substantively Consolidated . Affiliates TOPSIGHT OREGON, INC. and REED SLATKIN INVESTMENT CLUB, L.P., Debtor(s).		CASE NO.: 9:01-bk-11549-PC CHAPTER: 11	
		NOTICE OF SALE OF ESTATE PROPERTY	
Sale Date: 12/16/2015		Time: 10:00 am	
Location: Courtroom 201, 1415 State Street, Santa Barbara, CA 93101			

Type of Sale: ☒ Public ☐ Private

Last date to file objections: 12/02/2015

Description of property to be sold:

(1) the Liquidating Trust's judgments against Glenn Johnson, Barbara Johnson, and Santa Barbara Capital Management, LLC, and (2) the Liquidating Trust's related rights and claims against the Swedish government, arising out of the Swedish government's failure to preserve certain of the Johnsons' known assets in Sweden (which assets the Trustee had obtained a sequestration of in proceedings against the Johnsons in Sweden).

Terms and conditions of sale: "AS IS" and "WHERE IS" basis, with all faults and without any representation or warranty of any kind (including no representation or warranty as to merchantability or fitness for a particular purpose), whether express or implied.

Proposed sale price: \$ 50,000.00

This form is mandatory. It has been approved for use in the United States Bankruptcy Court for the Central District of California.

Overbid procedure (if any):

See the attached notice.

If property is to be sold free and clear of liens or other interests, list date, time and location of hearing:

Contact person for potential bidders (include name, address, telephone, fax and/or email address):

Peter J. Mastan, Esq.
Gumport | Mastan
550 S. Hope Street, Suite 1765
Los Angeles, CA 90071
213-452-4900
pmastan@gumportlaw.com

Date: 11/25/2015

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Telephone: (213) 452-4900

Attorneys for R. Todd Neilson, Trustee of the
“Estate of Reed E. Slatkin and Substantively
Consolidated Affiliates Topsight Oregon, Inc. and
Reed Slatkin Investment Club, L.P. Liquidating Trust”

**UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
NORTHERN DIVISION**

In re

REED E. SLATKIN, and
Substantively Consolidated Affiliates
TOPSIGHT OREGON, INC. and
REED SLATKIN
INVESTMENT CLUB, L.P.,

Reorganized Debtors.

Bk. No. 9:01-bk-11549-PC

CHAPTER 11

**NOTICE OF HEARING ON MOTION
TO APPROVE PURCHASE AND SALE
AGREEMENT BETWEEN THE
TRUSTEE AND LELLO LLC FOR (1)
THE LIQUIDATING TRUST’S
JUDGMENTS AGAINST GLENN
JOHNSON, BARBARA JOHNSON,
AND SANTA BARBARA CAPITAL
MANAGEMENT, LLC, AND (2) THE
LIQUIDATING TRUST’S RELATED
RIGHTS AND CLAIMS AGAINST
THE SWEDISH GOVERNMENT,
SUBJECT TO OVERBID**

**DATE: December 16, 2015
TIME: 10:00 a.m.
PLACE: Courtroom 201
1415 State Street
Santa Barbara, CA 93101
[Judge Peter Carroll]**

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NOTICE OF HEARING ON MOTION

**TO THE HONORABLE PETER H. CARROLL, UNITED STATES BANKRUPTCY
JUDGE, THE OFFICE OF THE UNITED STATES TRUSTEE, ALL PERSONS
ENTITLED TO NOTICE, THE MEMBERS OF THE TRUST BOARD, AND
THEIR RESPECTIVE COUNSEL OF RECORD, IF ANY:**

NOTICE IS HEREBY GIVEN that, on December 16, 2015, on the 10:00 a.m. calendar, in Courtroom 201 of the United States Bankruptcy Court, located at 1415 State Street, Santa Barbara, California 93101, the Honorable Peter Carroll, United States Bankruptcy Judge, will conduct a hearing on the “Notice of Motion and Motion to Approve Purchase and Sale Agreement Between the Trustee and Lello LLC for (1) the Liquidating Trust’s Judgments against Glenn Johnson, Barbara Johnson, and Santa Barbara Capital Management, LLC, and (2) the Liquidating Trust’s Related Rights and Claims Against the Swedish Government, Subject to Overbid” (the “Motion”) filed by R. Todd Neilson, trustee (the “Trustee”) of the “Estate of Reed E. Slatkin and Substantively Consolidated Affiliates Topsight Oregon, Inc. and Reed Slatkin Investment Club, L.P. Liquidating Trust” (the “Liquidating Trust”), the successor-in-interest to the Chapter 11 bankruptcy estate (the “Estate”) of Reed E. Slatkin (“Slatkin”) and his substantively consolidated affiliates Topsight Oregon, Inc. (“Topsight”) and the Reed Slatkin Investment Club, L.P. (“RSIC”). Specifically, through the Motion, the Trustee seeks an order that does each of the following:

(1) Approves the Purchase and Sale Agreement (the “Agreement”) between the Trustee and Lello LLC (the “Buyer”) on substantially the same terms as set forth in the form of agreement attached as **Exhibit 1 to the Motion;**

(2) Authorizes the Trustee to sell to the Buyer, or an approved overbidder making a better offer, (1) the Liquidating Trust’s interest in judgments against Glenn Johnson, Barbara Johnson, and Santa Barbara Capital Management, LLC, and (2) the Liquidating Trust’s interest in related claims against the Swedish government, arising out of its failure to preserve certain of the Johnsons’ known assets in Sweden (which assets the

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1 Trustee had obtained a sequestration of in proceedings against the Johnsons in Sweden)
2 (collectively, the "Property") for \$50,000, on an "AS IS" and "WHERE IS" basis, with all
3 faults and without any representation or warranty whatsoever (including no representation
4 or warrant as to merchantability or fitness for a particular purpose);

5 (3) Determines that the Agreement was made in good faith in an arm's-length
6 transaction and that the buyer of the Property (whether the Buyer or a successful
7 overbidder) is acting in good faith within the meaning of 11 U.S.C. § 363(m);

8 (4) Determines that adequate notice of the hearing on the Motion was given;

9 (5) Authorizes the Trustee to perform the terms of the Agreement and to sign all
10 such documents that are reasonably necessary to perform the Trustee's obligations under
11 the Agreement;

12 (6) Reserves Bankruptcy Court jurisdiction to enforce the Agreement;

13 (7) Approves the following overbid procedure:

14 (a) any initial overbid for the Liquidating Trust's interest in the Property
15 must be in an amount not less than \$57,500;

16 (b) in the event that the Trustee receives multiple overbids, any
17 subsequent overbids must be made in Court at the time of the hearing on the Motion and
18 must be made in minimum increments of \$2,500;

19 (c) any overbid must be accompanied by a certified or cashier's check in
20 the full amount of that bid and the successful overbidder must pay to the Trustee by
21 certified or cashier's check the full price at the time of the hearing on the Motion;

22 (d) any sale at overbid will be all cash, on an "AS IS" and "WHERE IS"
23 basis, with all faults and without any representation or warranty whatsoever, whether
24 express or implied, including without limitation, without warranty as to merchantability, or
25 fitness for a particular purpose;

26 (e) the Trustee may exercise his discretion to reject a particular overbid
27 that is not both higher and better (based upon all of the circumstances) than the Buyer's
28 offer, or the offer of other overbidders;

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1 (f) any person making an overbid for the Property shall be deemed to
2 have made, on their own account, each of the representations and acknowledgments made
3 by the Buyer to the Trustee as set forth in Paragraph 5 of the Agreement and shall be
4 accepting the Liquidating Trust's interest in the Property on an "AS-IS" and "WHERE-IS"
5 basis;

6 (8) Authorizes the Trustee to close the proposed sale of the Liquidating Trust's
7 interest in the Property to the Buyer (or the successful overbidder) unless an appeal of the
8 order authorizing that sale is timely filed and a stay pending appeal is entered.

9 (9) In the event that the Buyer is not the Court-approved buyer of the Property
10 because it was overbid and was not the ultimate successful purchaser, authorizes the
11 Trustee to pay to the Buyer a break-up fee in the amount of \$5,000;

12 (10) Waives the 14-day stay of orders for the disposition of Estate property set
13 forth in Fed.R.Bankr.P. 6004(h).

14 **NOTICE IS FURTHER GIVEN** that the Motion is made pursuant to 11 U.S.C.
15 §§ 363(b) and 363(m), Federal Rules of Bankruptcy Procedure 2002 and 6004, and Local
16 Bankruptcy Rules 6004-1 and 9013-1 on the grounds that the proposed sale is in the best
17 interests of the Liquidating Trust. Prior to Slatkin's bankruptcy, Glenn Johnson and
18 Barbara Johnson (collectively, the "Johnsons") had a purported "investment account" with
19 Slatkin and received certain transfers from Slatkin as purported distributions from that
20 account. Santa Barbara Capital Management, LLC ("SBCM"), which was owned and
21 controlled by the Johnsons, also had a purported "investment account" with Slatkin and
22 received certain transfers from Slatkin as purported distributions from that account.

23 On December 1, 2005, the Bankruptcy Court entered a judgment (the "Johnson
24 Judgment") in favor of the Trustee and against Glenn Johnson, Barbara Johnson, and
25 SBCM as follows: (1) Glenn Johnson in the principal amount of \$4,320,266 plus pre-
26 judgment interest of \$4,320.266 and post-judgment interest, compounded annually, at the
27 rate of 4.19% per annum; (2) Barbara Johnson in the principal amount of \$3,535,000 plus
28 pre-judgment interest of \$770,145.75 and post-judgment interest, compounded annually, at

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1 the rate of 4.19% per annum; and (3) SBCM in the principal amount of \$1,999,000 plus
2 pre-judgment interest of \$435,508.16, and post-judgment interest, compounded annually,
3 at the rate of 4.19% per annum. As set forth in the Johnson Judgment, the amounts
4 awarded against Glenn Johnson include the amounts awarded against Barbara Johnson and
5 SBCM, pursuant to which the judgment creditor would be entitled to a single satisfaction.
6 Similarly, the amounts awarded against Barbara Johnson include the amounts awarded
7 against SBCM.

8 After the Bankruptcy Court entered the Johnson Judgment, the Trustee commenced
9 one or more proceedings in the courts of Sweden (the "Sweden Proceedings"), where the
10 Johnsons had moved, to have a judgment entered in that jurisdiction consistent with the
11 Johnson Judgment. As part of the Sweden Proceedings, the Trustee obtained a
12 sequestration of the Johnsons' known assets in Sweden. Those assets included bank
13 accounts, a residential real property in Stockholm, and vehicles (the "Sequestered
14 Assets"). The Sequestered Assets had an estimated value of approximately \$650,000. The
15 Swedish courts entered a judgment (the "Swedish Judgment") against the Johnsons.
16 Thereafter, and notwithstanding the Swedish Judgment, a sub-division of the Swedish
17 government released the Sequestered Assets and the Johnsons transferred all but
18 approximately \$26,593.11 of those assets (which \$26,593.11 was seized by the Trustee
19 and is a credit against the Johnson Judgment and the Swedish Judgment) out of Sweden to
20 Austria. The Trustee subsequently filed a claim with the Swedish Attorney-General
21 requesting compensation in the amount of the transferred assets (the "Transferred Assets")
22 and that claim remains pending.

23 The Trustee has commenced proceedings in the courts of Austria (the "Austria
24 Proceedings"), where the Johnsons had moved, to have the Swedish Judgment recognized
25 in that jurisdiction and to enforce the judgment against the Johnsons in Austria. The
26 Austrian court has granted that recognition. Approximately \$11,000 U.S. may have been
27 seized in connection with judgment enforcement efforts in Austria.

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Moreover, this bankruptcy case has been pending since 2001. The Trustee estimates that it will continue to cost approximately \$75,000 per year to maintain the Liquidating Trust/Estate, but that such costs are not warranted considering the likely recovery to be generated to the Liquidating Trust. Accordingly, the Trustee intends to dispose of the Liquidating Trust's remaining assets (either through sale or abandonment) by approximately the end of 2015 and the proposed sale of the Property would assist the Trustee in completing his administration of the Estate/Liquidating Trust.

The Agreement attached as Exhibit 1 to the Motion is a form of the expected Agreement. Once the Agreement is signed, the Trustee will file the Agreement with the Court. All interested persons are encouraged to read the signed Agreement once it is filed with the Court. Any conflict shall be controlled by the terms of the signed Agreement.

NOTICE IS FURTHER GIVEN that the Motion is based on (a) this Notice of Hearing on Motion, (b) the concurrently filed Notice of Motion and Motion, Memorandum of Points and Authorities, Declarations of Peter J. Mastan and R. Todd Neilson, and Exhibit, (c) the pleadings on file with the Court, of which the Court is requested to take judicial notice, and (d) such further evidence that may be properly submitted prior to or at any hearing on this Motion. At your own expense, you may obtain a complete copy of the Motion from the Court's file or by contacting Victor Rivera of Discovery Document Reproduction Services at Tel. No. (213) 312-0033.

NOTICE IS FURTHER GIVEN that, pursuant to Local Bankruptcy Rule 9013-1(f), any opposition to the Motion must be in writing; must be filed with the Court and served upon the Buyer, the Trustee, and the Office of the United States Trustee at the addresses set forth below not later than 14 days before the date set for the hearing on the Motion; and must include a complete written statement of all reasons in opposition thereto or in support or joinder thereof, declarations and copies of all photographs and documentary evidence on which the responding party intends to rely, and any responding memorandum of points and authorities:

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For Filing With the Court

Clerk's Office
United States Bankruptcy Court
1415 State Street
Santa Barbara, California 93101

**For Service on Hon. Peter H. Carroll,
United States Bankruptcy Judge**

Honorable Peter H. Carroll
United States Bankruptcy Court
Central District of California
1415 State Street, Suite 230
Santa Barbara, California 93101

For Service on the Trustee

R. Todd Neilson, Trustee
c/o Peter J. Mastan, Esq.
Gumport | Mastan
550 South Hope Street, Suite 1765
Los Angeles, California 90071-2627

**For Service on the Office of United
States Trustee**

Office of the United States Trustee
128 East Carillo Street
Santa Barbara, California 93101

For Service on the Buyer

Lello LLC
c/o Steven T. Gubner
Ezra Brutzkus Gubner LLP
21650 Oxnard Street, Suite 500
Woodland Hills, California 91367

**NOTICE IS FURTHER GIVEN that, pursuant to Local Bankruptcy Rule
9013-1(h), failure to timely file and serve an objection may be deemed by the Court to
be consent to granting the Motion.**

DATED: November 25, 2015

Respectfully submitted,

GUMPORT | MASTAN

By: /s/ Claire K. Wu

Claire K. Wu

Attorneys for R. Todd Neilson, Trustee of
the "Estate of Reed E. Slatkin and
Substantively Consolidated Affiliates
Topsight Oregon, Inc. and Reed Slatkin
Investment Club, L.P. Liquidating Trust"

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PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My current business address is: Gumpert | Mastan, 550 S. Hope Street, Suite 1765, Los Angeles, CA 90013

Notice of Sale
- ecf list, UST, Tfe
- court

A true and correct copy of the foregoing document described as: **NOTICE OF SALE OF REAL PROPERTY** will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d), and (b) in the manner indicated below:

I. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING ("NEF") - Pursuant to controlling General Order(S) and Local Bankruptcy Rule(s) ("LBR"), the foregoing document will be served by the court via NEF and hyperlink to the document. On **November 25, 2015**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following person(s) are on the Electronic Mail Notice List to receive NEF transmission at the email addresses indicated below:

X Service information continued on attached page

II. SERVED BY U.S. MAIL OR OVERNIGHT MAIL (indicate method for each person or entity served): On **November 25, 2015**, I served the following person(s) and/or entity(ies) at the last known address(es) in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States Mail, first class, postage prepaid, and/or with an overnight mail service addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

BY FEDERAL EXPRESS

U.S. BANKRUPTCY COURT

Honorable Peter H. Carroll
United States Bankruptcy Court
Central District of California, Northern Division
1415 State Street, Suite 230
Santa Barbara, CA 93101-2511

___ Service information continued on attached page

III. SERVED BY PERSONAL DELIVERY, FACSIMILE TRANSMISSION OR EMAIL (indicate method for each person or entity served: Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on _____ I served the following person(s) and/or entity(ies) by personal delivery, or (for those who consented in writing to such service method) by facsimile transmission and/or email as follows: Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

___ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

November 25, 2015

Date

TRAVIS MICHAEL TERRY

Type name

Travis Michael Terry

Signature

ADDITIONAL SERVICE INFORMATION (if needed)

TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING ("NEF")

- Brett A Axelrod baxelrod@beckleylaw.com
- Julian K Bach Julian@Jbachlaw.com, julianbach@sbcglobal.net
- Richard T Baum rickbaum@hotmail.com, rickbaum@ecf.inforuptcy.com
- Christopher L Blank clblank@pacbell.net
- J Scott Bovitz boviz@bovitz-spitzer.com
- Alan F Broidy alan@broidylaw.com, sherrie@broidylaw.com
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- Gerald McNally gm@mcseq.com
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- R. Todd Neilson (TR) tneilson@brg-expert.com, sgreenan@brg-expert.com; tneilson@ecf.epiqsystems.com; ntroszak@brg-expert.com
- Lisa N Nobles lnobles@lgbfirm.com, aru@kutnerlaw.com
- Fred S Pardes paralegal@fredpardes.com

ADDITIONAL SERVICE INFORMATION (if needed)

TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING ("NEF")

- Christopher E Prince cprince@sonnenschein.com
- John P Reitman jreitman@lgbfirm.com, kalandy@lgbfirm.com; cboyias@lgbfirm.com; srichmond@lgbfirm.com; sdeiches@lgbfirm.com
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- Jeffrey Rosenfeld jrosenfeld@blankrome.com, sbrockway@BlankRome.com
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- Howard Steinberg hsteinberg@irell.com, laik@gtlaw.com; pearsallt@gtlaw.com
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- Marcus G Tiggs mtiggs@lawbwl.com, bwlecf@gmail.com
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- William E Winfield wwinfield@rstlegal.com
- Dennis Winters winterslawfirm@cs.com
- Edward M Wolkowitz emw@lnbrb.com
- Claire Wu cwu@gumportlaw.com
- Richard Lee Wynne rwynne@kirkland.com, sjperry@jonesday.com
- Aleksandra Zimonjic azimonjic@lgbfirm.com, cboyias@lgbfirm.com; sdeiches@lgbfirm.com